

SPECIAL MEETING OF THE CITY COUNCIL:

Austin, Texas, September 17, 1927.

The meeting was called to order by the Mayor. Roll call showed the following members present: Mayor McFadden, Councilmen Mueller, Pannell, and Reed, ; 4 - absent, Councilman Steck.

Mayor McFadden nominated the following as members of the Zoning Commission:

Gillespie Stacy;
John Gracy;
Ralph Goeth;
Harris Brush;
A. W. Harris.

Nomination was confirmed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller, Pannell, and Reed, 4; nays, none, Councilman Steck absent.

Councilman Reed moved that the Council recess, subject to call of the Mayor. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller, Pannell, and Reed, 4; nays, none, Councilman Steck absent.

The Council then recessed.

Approved: *J. H. McFadden*
Mayor.

REGULAR MEETING OF THE CITY COUNCIL:

Austin, Texas, September 22, 1927.

The Council was called to order by the Mayor. Roll call showed the following members present: Mayor McFadden, Councilmen Mueller and Pannell, 3; absent, Councilmen Reed and Steck.

The Minutes of the last meeting were read and Councilman Mueller moved adoption of same. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

Members of the Natural Gas Committee of the Chamber of Commerce appeared before the Council and presented a report of their negotiations with different companies for the securing of natural gas for Austin and recommended acceptance by the Council of the proposal of the Community Natural Gas Company as being the most satisfactory offer.

Mayor McFadden moved that the Council acknowledge with great appreciation the efforts of both the Special and General Natural Gas Committees in making these negotiations and that the report be accepted and filed for further consideration. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller, and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

Mayor McFadden laid before the Council the following application of the Community Natural Gas Company:

"Austin, Texas, Sept. 22, 1927.

To the Honorable The Mayor and City Council of Austin, Texas.

Gentlemen:

Community Natural Gas Company, a corporation, hereby makes formal application to yourselves as the governing authorities of the City of Austin, for a franchise covering the construction, operation and maintenance by Community Natural Gas Company of a natural gas distributing plant in the City of Austin.

If such a franchise is granted, this company will supply for a period of not less than five years, natural gas to consumers in the City of Austin at a net rate of sixty-seven and one-half (67½) cents per thousand cubic feet, with a customer or service charge of fifty (50) cents and a minimum bill of one dollar (\$1.00) per consumer per month.

Your City Attorney has prepared a draft of a proposed franchise ordinance incorporating the foregoing rates and charges and which franchise contains unusually restrictive provisions safeguarding the public interest.

The franchise so prepared by your City Attorney is acceptable to us and we ask your favorable consideration of the enactment of an ordinance granting such franchise to Community Natural Gas Company.

Respectfully submitted,

COMMUNITY NATURAL GAS COMPANY

By (Sgd) F. L. Chase,
President. "

Mayor McFadden moved that the above application be filed by the Council for further consideration. Motion was seconded by Councilman Pannell and same prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

Mayor McFadden laid before the Council the following communication from the Peoples Utilities Texas Corporation:

"Austin, Texas, September 22, 1927.

To the Honorable Commissioners of the City of Austin,
Austin, Texas.

Gentlemen:

Assuming that the matter of making some disposition of the questions relating to the distribution of natural gas in the City of Austin are now before the City Commissioners, the Peoples Utilities Texas Corporation herewith respectfully presents the following statement:

Ever since the question of supplying the City of Austin with natural gas has been actively agitated and the Chamber of Commerce Committee was appointed, the Peoples Utilities Texas Corporation which is hereafter referred to as the local company, has been diligently engaged in an effort to make a contract for the purchase of natural gas which would enable it to distribute and sell same in the City of Austin upon reasonable terms and at reasonable prices. Up to Friday, September 16th, the best firm offer we have had to supply our needs was at the rate of 40 cents per 1,000 cu. ft. for domestic use, delivered at the gates of the City, which price would not have permitted us to meet the quoted price to consumers of the Lone Star Gas Company and at the same time earn a fair return. We were then able to enter into and sign a contract with Houston Gas Securities Corporation. This company commands the facilities of the Dixie Pipeline Company, which has an open flow of approximately one billion feet of gas per day; the Houston Gulf Gas Company which has developed a large supply of gas in the Refugio and White Point Fields, from which at the present time is being delivered for the City of Houston and vicinity, approximately 50 million feet of gas; and the Southern Gas Company, which, together with Southern Gas Utilities Corporation, have wells already developed with a daily open flow of approximately 2 billion cubic feet of gas, which companies own and have under lease over 200,000 acres of land in the following counties: Webb, Duval, Zapata, Jim Hogg, McMullen, Live Oak and Medina, under the terms of the above-mentioned contract a 12-inch pipeline will be constructed from New Braunfels to the City of Austin, connecting with the line now being constructed from San Antonio to New Braunfels. Another pipeline will be constructed by way of Luling and Lockhart, connecting with the Austin Line near the City of Kyle. The source of supply reached by these lines is of the best quality and more than adequate in quantity to meet the needs of the City of Austin.

The contract which has been signed, as above referred to, provides a cost of 35 cents per 1,000 cu. ft. for gas for domestic use, delivered at the gate of the city, which is a more favorable rate than any which had theretofore been made available to us, and this favorable rate at which we will purchase our gas permits us to meet the best prices and conditions which have been offered to the city.

As stated above, the pipelines which will supply gas to Austin is now actually under construction and our contract provides that gas will be delivered at Austin not later than March 1st, 1928. We expect to turn natural gas into our mains on a date earlier than that, but at all events we will be distributing natural gas by said date.

While we have a franchise for the sale and distribution of gas in Austin under which we are permitted to sell and distribute natural gas through the system we already own, at the same time we realize that it is claimed that our present franchise is antiquated and unsatisfactory to the city, and we made to the Chamber of Commerce, and now make to you, an offer to give up our old franchise and accept the new franchise prepared by the City Attorney. In view of the dissatisfaction with the old franchise and of the benefits arising from harmonious relations, we request that the new franchise be granted to us.

The most essential provisions of the new franchise which has been drafted by the City Attorney, and which we agree to accept, are as follows:

1. To distribute natural gas for domestic purposes at a price of 67½¢ per 1,000 cubic feet, plus a monthly service charge of 50¢ with a minimum monthly bill, including this service charge, of \$1.00, and that no greater rates be charged during a period of five years.
2. To eliminate from the valuation of its property for subsequent rate-making purposes that part of its property not necessary in the distribution of natural gas.
3. To post a cash bond of \$50,000.00 to guarantee distribution of natural gas in the City not later than March 1st, 1928.
4. To pay the City over and above the taxes it has been paying for many years a percentage of the gross revenues together with additional yearly cash payments, as shall be later agreed upon.

In addition to the above specific terms, the proposed franchise has many other features safeguarding the interests of the citizens of the City of Austin in regard to extensions, service, etc.

The Chamber of Commerce Committee has made a report, approved by the Directors, recommending that a franchise be granted to a subsidiary of the Lone Star Gas Company. It seems from the terms of the report of the Sub-Committee that its action in recommending the granting of this franchise arises from the fact that the local company was not able to make a definite proposition until after the Lone Star Gas Company had agreed with the Sub-Committee on the terms of the proposed franchise. Our failure to agree earlier upon all of the details was due to conditions beyond our control. We do not understand that the report and its acceptance by the Board of Directors commits that body to a course antagonistic to the local company, nor does such report reject or criticize the proposition which we have made and now make. The report is susceptible to the construction that the Sub-Committee believes that two gas companies operating within the City would inure to the public interest. This, of course, presents a question of public policy, which, after all, the City Council must decide.

The local company is acting in perfect good faith in this matter and the pipeline bringing natural gas to Austin will be rushed to completion.

We naturally feel that a local company, already having facilities for the distribution of natural gas, and which is in a position to begin such distribution earlier and with less injury to the streets than a new concern, should be given the preference in the consideration of this matter.

Respectfully submitted,

PEOPLES UTILITIES TEXAS CORPORATION

By (Sgd) A. T. Knies, Vice-President. "

" September 22nd, 1927.

To the City Council of the City of Austin,
Austin, Texas.

We herewith deliver to you our certified check for \$50,000.00, payable to the City Treasurer, to be held by him under the following conditions:

In the event a new franchise is granted to us by the first day of December, 1927, as per our application this day filed and in the terms substantially as the draft of franchise prepared by the City Attorney and which has been submitted to us, and in the event further that by March 1st, 1928, we shall fail to distribute natural gas throughout the system of mains now owned by the company in the City of Austin in accordance with the terms of said proposed franchise, then said check is to be retained by the city as liquidated damages for such failure.

In the event we shall not be granted the franchise by the first day of December, 1927, or if same is granted and we do distribute natural gas in the City of Austin within the time above stated, said check is to be returned to us at the time natural gas is distributed throughout our entire distribution system to all of our customers.

Respectfully submitted,

PEOPLES UTILITIES TEXAS CORPORATION

By (Sgd) A. T. Knies, Vice-President. "

Mayor McFadden moved that the foregoing communications of the Peoples Utilities Texas Corporation be filed for further consideration. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

Mayor McFadden laid before the Council application of T. H. Williams & Company for the erection of a show case on the sidewalk adjoining their store building at 5th and Congress. After a discussion of the matter, Councilman Pannell moved that permit be refused and that permission granted said T. H. Williams & Company by a former administration for this installation be revoked. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

The application of Lon Martin to install a gasoline tank and pump on his premises at 907 South Congress Avenue, together with the report of the Safety Committee upon same, was read and Councilman Mueller moved that the permit be granted in accordance with the recommendations of the Safety Committee. Motion was seconded by Councilman Pannell, and same prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

The application of W. E. Williams to erect a gasoline filling station on his property at the southeast corner of Rio Grande and West 24th Streets was read and Councilman Mueller moved that, in view of the following recommendation of the Safety Committee, the same be refused:

" Austin, Texas, September 22, 1927.

To the Hon. Mayor & City Council,
Gentlemen:

We, your committee on the application of Mr. W. E. Williams, asking for permission to erect a gasoline filling station on his property at 24th and Rio Grande Streets, make the following report:

We, the committee, recommend that this permission be refused, for the following reasons:

1. This location is in a residential and apartment house district, there is also located in this immediate vicinity, as stated in application, a large number of fraternity and sorority houses.
2. That Rio Grande Street is an unusually narrow street with a car track in the center, and is a street that carries a heavy traffic at all times, and especially at this intersection as 24th Street is one of the main streets connecting Guadalupe with Rio Grande.

The committee does not care to set a precedent by recommending the locating of a gasoline filling station at this point,, which would, in our opinion, increase the traffic hazard at this intersection, and would in all probability be the beginning of locating other such stations in this residential and apartment house district.

(Sgd) J. E. Woody,
Fire Chief.

R. F. Rockwood,
Fire Marshal.

J. Bouldin Rector,
City Attorney

Orin E. Metcalfe,
City Engineer.

SAFETY COMMITTEE. "

The above motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

City Manager Johnson brought to the attention of the Council the

necessity of laying 4" water mains in the various alleys ordered to be paved before the work of paving begins. The Council expressed themselves as favorable to the proposition.

Councilman Pannell moved that the Council recess, subject to call of the Mayor. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller and Pannell, 3; nays, none, Councilmen Reed and Steck absent.

The Council then recessed.

Approved: _____

Mayor.

REGULAR MEETING OF THE CITY COUNCIL:

Austin, Texas, September 29, 1927.

The Council was called to order by the Mayor. Roll call showed the following members present: Mayor McFadden, Councilmen Mueller, Pannell, Reed, and Steck, 5; absent, none.

The Minutes of the last meeting were read and Councilman Mueller moved the adoption of same. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller, Pannell, Reed, and Steck, 5; nays, none.

Mayor McFadden moved that, it being the conclusion of the City Council, from the statement of facts as presented to it, that the Scottish Rite, Newman Hall, Grace Hall, and Kirby Hall Dormitories are used solely for school purposes and therefore not subject to taxation, the City Attorney be directed to draw the proper resolution setting forth these facts and present same to the Council for passage at its next regular meeting. Motion was seconded by Councilman Mueller and same prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Mueller, Pannell, Reed, and Steck, 5; nays, none.

Mayor McFadden laid before the Council the following communication:

"Austin, Texas, September , 1927.

To the Honorable City Council,
Austin, Texas.

We, as owners of property on Second Street between the west edge of Colorado Street and the east edge of Lavaca Street, have made a study of an estimate for the permanent paving of said street, a copy of which estimate accompanies this communication, and we agree to pay the entire cost of said paving and respectfully petition your Honorable Body to order said street paved. We would like to have said street paved with gravel base and light asphalt, per Estimate No. 3.

Yours very truly,

(Sgd) Mrs. Josephine Starr

The Walter Tips Company,
By Ralph C. Goeth, Vice-President,

Paul O. Simms

A. J. Zilker (for 4 lots less 4' on east side)